



May 18, 2022

The Honorable Marcia Fudge
Secretary
U.S. Department of Housing and Urban Development
451 7th Street, S.W.
Washington DC 20410

Dear Secretary Fudge:

The undersigned organizations commend you and the rest of the Biden-Harris Administration for the President's ambitious Housing Supply Action Plan, released on May 16. In particular, we are encouraged by the Administration's commitment to advancing the HOME Investment Partnerships (HOME) program as a key tool for the production and preservation of affordable rental and homeownership housing by updating HOME program guidance and through the reauthorization of the program.

HOME is HUD's flagship program for increasing the supply of both rental and for-sale housing affordable to low-income households. With affordable housing supply needed now more than ever, and inflation at a 40-year high, the time is right for HUD to modernize HOME regulations and other guidance to maximize the program's impact so that HUD can better assist low-income households—whether they are renters searching for an apartment they can afford, homeowners in need of rehabilitation for their home, or low-income families seeking to purchase their first home.

Many of our organizations are members of the HOME Coalition—a collaboration of national and regional organizations representing all types of stakeholders in the HOME program, including government officials, state and local participating jurisdictions (PJs), nonprofit and for-profit developers, Community Housing Development Organizations, owners of affordable housing, and advocates for renters, homeowners, and homebuyers.

As stated in the Housing Supply Action Plan, housing is the single largest component of the consumer price index, or CPI, comprising 33 percent of the basket of goods used to determine the index, which is commonly used to measure inflation. Home prices and rents, have risen substantially during the pandemic. Increasing supply of affordable housing is critical, not only to combating inflation, but to help ordinary people who are most impacted by rising costs.

HOME is HUD's most important tool for increasing housing production. It is intended to be flexible enough for states and localities to use it to meet their unique housing needs. But its flexibility has been stymied by a statute that has not been updated since the mid-1990s and regulations that are nearly a decade old. During this time, affordable housing needs and resources have changed; and states and localities administering the HOME program and

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practitioners using HOME funds, have gained experiences with which aspects of the HOME program work best and which ones need modification, be that statutory, regulatory, or sub-regulatory in nature.

While we believe that some improvements to HOME can only be done by reauthorizing the program's statute—and we are working to address those issues—there is much that HUD can do now under its current authority to further strengthen the program, improve its operations, and allow states and localities to do more with their existing HOME resources even absent statutory changes. We also would note that the broad waiver authority over HOME that you were granted in the Build Back Better Act as it passed the House of Representatives last year suggests recognition of the need to modernize HOME.

As a recipient of HOME funds in your role as a mayor and HOME's Congressional champion in your years serving in the House of Representatives, you understand as well as anyone how important HOME is to increasing the supply of affordable homes and narrowing the racial wealth gap. We also are encouraged by productive conversations we have had with your senior staff as well as staff from the White House about modernizing HOME.

We know that HUD will need the help of HOME program stakeholders as it sets out to review and improve HOME guidance. We are ready to do our part. Our organizations pledge to work towards a consensus set of regulatory and sub-regulatory recommendations that we hope you will consider as part of this process.

We look forward to working with you and your team to successfully modernize HOME regulations and guidance for the program's third decade.

Sincerely,

Citizens' Housing and Planning Association

Corporation for Supportive Housing (CSH)

Council for Affordable and Rural Housing (CARH)

Council of Large Public Housing Authorities

Council of State Community Development Agencies (COSCDA)

Enterprise Community Partners

Grounded Solutions Network

Habitat for Humanity International

Homeownership Alliance

Housing Assistance Council

Housing Partnership Network

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Local Initiatives Support Corporation

Low Income Investment Fund (LIIF)

Mercy Housing

National Affordable Housing Management Association

National Alliance of Community Economic Development Associations (NACEDA)

National Association for County Community and Economic Development (NACCED)

National Association of Counties

National Association of Housing and Redevelopment Officials (NAHRO)

National Association of Local Housing Finance Agencies

National Community Development Association

National Community Reinvestment Coalition

National Council of State Housing Agencies

National Housing Conference

National Housing Trust

National League of Cities

National Leased Housing Association

National NeighborWorks Association

National Rural Housing Coalition

National Stabilization Trust

Stewards of Affordable Housing for the Future (SAHF)

Cc: Sarah Brundage, Senior Advisor for Housing Supply and Infrastructure, Office of the Secretary

Kera Package, Special Assistant, Community Planning and Development

Virginia Sardone, Director, Office of Affordable Housing Programs